

--	--

50X1

NO. OF PAGES 2

50X1-HUM

SUPPLEMENT TO
REPORT NO.

50X1-HUM

- 50X1-HUM

- 50X1-HUM

- 50X1-HUM

- CLASSIFICATION ~~SECRET/CONTROL~~ U.S. OFFICIALS ONLY

[illegible]

SECRET CONTROL - U.S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

50X1

-2-

For that reason the USSR alone assumes responsibility for furnishing industrial material for the reconstruction of the new China; Poland, Czechoslovakia, and even Hungary must undertake to furnish industrial products to the USSR. Details of the individual agreements are not yet known.

6. Minister Gregor observed that Russian supplies for Czechoslovakia will amount to at least three million tons of goods, that is, an average of 10,000 tons per day. In view of the difficulties in direct railroad communications with the USSR (the railroad is partly one-way), these supplies will be shipped over Polish railroads and over waterways.
7. Czechoslovakia is acquiring cereals and raw materials not only for its present needs but also as reserves in case of a bad harvest. Russian grain amounting to 460,000 tons, plus supplies of cereals from Rumania and Hungary, ought to solve any difficulty that might arise as a result of bad weather conditions or of the intensification of some branches of agriculture as for example, potatoes, beets, and hops. Forage cereals will also be imported (100,000 tons of corn and 150,000 tons of barley are destined for the raising of oxen, a project begun last year and intensified this year).

8. The following industrial raw materials are expected from the USSR:

Iron (1,300,000 tons)

Large quantities of copper	naphtha derivatives
lead	artificial fertilizers
aluminum	wool
naphtha	round ball bearings
sulphur	manganese
cotton	nickel alloys
jute and	platinum
iron alloys	synthetic rubber
silver	industrial wood
	zinc

9. In Czechoslovakia Russian machines are considered to be completely satisfactory and sometimes even better than those produced in western countries. There are complaints that the United States last year suspended concluded contracts after having accepted both contracts and payments.
10. Prices fixed in the trade agreements for the products imported and exported are based on world market prices, plus the costs of transportation from the western locality in Czechoslovakia, and are calculated in Czechoslovak Kronen. The trade agreement with the USSR, it is emphasized, was drawn up on conditions of absolute parity. It strengthens the economic potential, makes it more independent from the West, and assures work and food to the population.
11. The trade prospects opened up by the appearance of the Chinese requests on the Czechoslovak market are easily visible in the extensive development of heavy industry and the increased supplies of crude metals.

Document No.	10
No change in class.	<input type="checkbox"/>
Declassified	<input checked="" type="checkbox"/>
To: TS	GC

SECRET/CONTROL - U.S. OFFICIALS ONLY

50X1